



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

April 30, 2002

02-09

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Streamlined Documentation Procedures

The Government National Mortgage Association ("Ginnie Mae") is pleased to announce additional streamlined documentation requirements within its single family mortgage-backed securities ("MBS") programs. These changes will result in substantial cost savings to the industry.

The new documentation improvements for the single-family program include:

- Offering issuers the option of certifying loans insured by the Federal Housing Administration ("FHA") based on information in the FHA Connection database, in lieu of presenting the Mortgage Insurance Certificate ("MIC");
- Offering issuers the option of certifying loans guaranteed by the Department of Veterans Affairs ("VA") based on information in The Appraisal System ("TAS"), in lieu of presenting the Loan Guaranty Certificate ("LGC"); and
- Elimination of agency assignments.

**Certification of FHA Loans**

In order to satisfy Ginnie Mae final certification requirements relating to proof of insurance, issuers now have the option of either submitting the paper MIC to their document custodian for review, or directing the custodian to review the duplicate MIC screen on the FHA Connection.

If the loan is endorsed in the FHA Connection, the custodian may consider that Ginnie Mae certification requirements relating to proof of insurance have been satisfied. The policy is effective for all loans with a pooling date of March 1, 2002, or later. **It is important to note that this change in no way affects the issuer's requirements with FHA. The paper MIC is still required when the issuer presents a claim to FHA for insurance.**

## **Certification of VA Loans**

Ginnie Mae has been working with the VA in designing specifications of a new system that will allow users to view the guaranty status of loans. Once TAS is operational, Ginnie Mae will allow issuers to take full advantage of the system to meet certification requirements.

In order to satisfy Ginnie Mae final certification requirements relating to proof of guaranty, and once TAS is available, issuers will have the option of either submitting the paper LGC to their document custodian for review, or directing the custodian to access TAS and review the loan guaranty status on-line.

If TAS indicates the status of the loan as “guaranteed”, the custodian may consider the loan as satisfying Ginnie Mae certification requirements for proof of guaranty. This policy is effective immediately upon the release and availability of TAS.

## **Elimination of Assignments to Ginnie Mae**

The present policy of requiring an assignment to Ginnie Mae in recordable form, but unrecorded for each loan at pooling and subsequent to a transfer of issuer responsibility, is eliminated. The elimination of the assignment is effective immediately and is retroactive to any loans missing the assignment.

These changes are the result of ongoing improvements in Ginnie Mae’s document custody requirements. While these improvements represent substantial cost savings to the industry, it is Ginnie Mae’s desire to continue to work with our business partners to further streamline our requirements.

A copy of the guide changes is attached. The guide changes more fully explain the new review requirements of document custodians choosing to electronically review the MIC and LGC. You may also access the Guide through Ginnie Mae’s website at [www.ginniemae.gov](http://www.ginniemae.gov).

Should you have any questions, please contact your Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.

### **Attachment**

- (1) [Guide Chapter 9](#)
- (2) [Guide Chapter 13](#)
- (3) [Guide Chapter 21](#)
- (4) [Guide Chapter 24](#)
- (5) [Guide Chapter 25](#)
- (6) [Guide Chapter 26](#)
- (7) [Guide Chapter 27](#)
- (8) [Guide Chapter 28](#)
- (9) [Guide Chapter 29](#)

- (10) Guide Chapter 30
- (11) Guide Chapter 31
- (12) Guide Chapter 32
- (13) Document Custodian Manual, Chapter 3
- (14) Document Custodian Manual, Chapter 4
- (15) Document Custodian Manual, Chapter 5
- (16) Document Custodian Manual, Chapter 6
- (17) Document Custodian Manual, Chapter 7
- (18) Document Custodian Manual, Chapter 9
- (19) Document Custodian Manual, Appendix II
- (20) Document Custodian Manual, Appendix III